

# SENATE BILL 642

A2

(6lr2356)

## ENROLLED BILL

— Finance/Government, Labor, and Elections —

Introduced by **Senator Ferguson**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

#### 2 **Baltimore City – Alcoholic Beverages – 46th Alcoholic Beverages District**

3 FOR the purpose of authorizing the Board of License Commissioners for Baltimore City to  
4 issue a Class 7 micro-brewery license to the holder of a Class B–D–7 license in the  
5 46th alcoholic beverages district, subject to a certain limitation; requiring the Board  
6 to establish a standard template for certain memoranda of understanding by a certain  
7 date; authorizing the Board of ~~License Commissioners for Baltimore City~~ to  
8 authorize the transfer of a Class B–D–7 license from an area in the 40th alcoholic  
9 beverages district into the 46th alcoholic beverages district; authorizing certain  
10 holders of certain Class D licenses in the 46th alcoholic beverages district to apply for  
11 a 7-day sales privilege under certain circumstances; requiring the Board to adopt  
12 regulations establishing certain tiered penalties for license violations; authorizing a  
13 license holder in a certain area in the 46th alcoholic beverages district to keep and  
14 allow individuals to consume alcohol donated by a manufacturer or wholesaler under  
15 certain circumstances; extending for a certain amount of time the expiration of ~~an~~

#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics indicate opposite chamber/conference committee amendments.*



1 alcoholic beverage ~~license~~ licenses issued for ~~a~~ certain ~~area~~ locations for certain  
 2 transfer and renewal purposes; and generally relating to alcoholic beverages in  
 3 Baltimore City.

4 BY repealing and reenacting, without amendments,  
 5 Article – Alcoholic Beverages and Cannabis  
 6 Section 12–102 and 12–1604(a)  
 7 Annotated Code of Maryland  
 8 (2024 Replacement Volume and 2025 Supplement)

9 BY repealing and reenacting, with amendments,  
 10 Article – Alcoholic Beverages and Cannabis  
 11 Section 12–403  
 12 Annotated Code of Maryland  
 13 (2024 Replacement Volume and 2025 Supplement)

14 BY adding to  
 15 Article – Alcoholic Beverages and Cannabis  
 16 Section ~~12–1604(k)~~ 12–1408, 12–1604(k), 12–1604.2, and 12–2802(g)  
 17 Annotated Code of Maryland  
 18 (2024 Replacement Volume and 2025 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 20 That the Laws of Maryland read as follows:

21 **Article – Alcoholic Beverages and Cannabis**

22 12–102.

23 This title applies only in Baltimore City.

24 12–403.

25 (a) This section applies to a Class 7 micro–brewery license in the City.

26 (b) (1) The license may be issued only to the holder of:

27 [(1)] (I) a Class B beer, wine, and liquor (on–sale) license that is issued  
 28 for use on the premises of a restaurant located in the City; or

29 [(2)] (II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, a Class  
 30 [D] B–D–7 alcoholic beverages license that is issued for use on the premises of the existing  
 31 Class [D] B–D–7 license located in the [40th] 46TH alcoholic beverages district of the City.

1           **(2) THE BOARD MAY ISSUE A LICENSE UNDER PARAGRAPH (1)(II) OF**  
2 **THIS SUBSECTION IF THE HOLDER OF THE CLASS B-D-7 LICENSE RECEIVES A**  
3 **LETTER OF SUPPORT FROM THE RIDGELY'S DELIGHT ASSOCIATION.**

4           (c)   (1)   Subject to paragraphs (2), (3), and (4) of this subsection, the holder of a  
5 Class 7 micro-brewery license may:

6                   (i)   brew in two locations using the same Class 7 micro-brewery  
7 license; and

8                   (ii) obtain a Class 2 rectifying license for the premises at the two  
9 locations authorized under item (i) of this paragraph.

10           (2)   The holder of a Class 7 micro-brewery license may brew in two locations  
11 using the same Class 7 micro-brewery license if the license holder:

12                   (i)   requests permission by submitting a written application to the  
13 Executive Director; and

14                   (ii) obtains written approval from the Executive Director.

15           (3)   Before authorizing a holder of a Class 7 micro-brewery license to brew  
16 in two locations using the same Class 7 micro-brewery license, the Executive Director shall:

17                   (i)   make a determination that a second location to brew additional  
18 capacity is necessary due to insufficient space at the existing Class 7 license location; and

19                   (ii) consider any other factor relevant to approval of the application.

20           (4)   Notwithstanding any other provision of this article, a holder of a Class  
21 7 micro-brewery license may not serve or sell beer for on- or off-premises consumption at  
22 the second brewing location authorized under this subsection.

23 **12-1408.**

24           **(A) (1) ON OR BEFORE JANUARY 1, 2027, THE BOARD SHALL ESTABLISH**  
25 **A STANDARD TEMPLATE FOR MEMORANDA OF UNDERSTANDING BETWEEN**  
26 **APPLICANTS FOR ALCOHOLIC BEVERAGES LICENSES AND LOCAL NEIGHBORHOOD**  
27 **ASSOCIATIONS IN ACCORDANCE WITH THIS TITLE.**

28           **(2) INDIVIDUAL NEIGHBORHOOD ASSOCIATIONS MAY INCLUDE**  
29 **ADDITIONAL INFORMATION ON THE STANDARD TEMPLATE ESTABLISHED UNDER**  
30 **PARAGRAPH (1) OF THIS SUBSECTION.**

31           **(B) IF AN APPLICANT FOR THE ISSUANCE OF A NEW, TRANSFERRED, OR**  
32 **EXPANDED ALCOHOLIC BEVERAGES LICENSE IS REQUIRED TO SUBMIT A**

1 MEMORANDUM OF UNDERSTANDING, THE BOARD MAY NOT CONSIDER THE  
2 APPLICATION TO BE COMPLETE UNLESS A COMPLETED MEMORANDUM OF  
3 UNDERSTANDING IS INCLUDED WITH THE APPLICATION.

4 12-1604.

5 (a) This section applies only to the 46th alcoholic beverages district, which at all  
6 times is coterminous with the 46th legislative district in the Legislative Districting Plan of  
7 2022.

8 (K) THE BOARD MAY AUTHORIZE THE TRANSFER OF A CLASS B-D-7  
9 LICENSE FROM THE 700 BLOCK OF WASHINGTON BOULEVARD IN THE 40TH  
10 ALCOHOLIC BEVERAGES DISTRICT FOR USE BY AN ESTABLISHMENT ON THE 200  
11 BLOCK OF SOUTH HIGH STREET IN THE 46TH ALCOHOLIC BEVERAGES DISTRICT.

12 12-1604.2.

13 (A) THIS SECTION APPLIES ONLY TO A HOLDER OF A CLASS D LICENSE FOR  
14 USE IN THE 46TH ALCOHOLIC BEVERAGES DISTRICT.

15 (B) (1) NOTWITHSTANDING § 12-2004(F) OF THIS TITLE, A HOLDER OF A  
16 VALID CLASS D LICENSE MAY APPLY TO THE BOARD TO SELL ALCOHOLIC BEVERAGES  
17 MONDAY THROUGH SUNDAY IF THE LICENSE HOLDER:

18 (I) MAINTAINS AVERAGE DAILY RECEIPTS FROM THE SALE OF  
19 FOOD THAT ARE AT LEAST 51% OF THE TOTAL DAILY RECEIPTS FROM THE  
20 ESTABLISHMENT;

21 (II) EXECUTES A MEMORANDUM OF UNDERSTANDING WITH THE  
22 RELEVANT LOCAL NEIGHBORHOOD ASSOCIATION AS DETERMINED BY THE BOARD;

23 (III) OPERATES AN ESTABLISHMENT WITH NOT MORE THAN 100  
24 SEATS; AND

25 (IV) PAYS A ONE-TIME FEE OF \$15,000, IN ADDITION TO ANNUAL  
26 RENEWAL FEES ASSOCIATED WITH THE CLASS D LICENSE.

27 (2) (I) A CLASS D LICENSE THAT IS GRANTED A 7-DAY PRIVILEGE  
28 UNDER THIS SUBSECTION MAY NOT BE TRANSFERRED TO A NEW LOCATION.

29 (II) A NEW HOLDER OF A CLASS D LICENSE THAT IS GRANTED A  
30 7-DAY PRIVILEGE UNDER THIS SUBSECTION MUST COMPLY WITH THE  
31 REQUIREMENTS OF THIS SUBSECTION.

1           **(C) THE BOARD SHALL USE THE ONE-TIME FEE PAID BY THE LICENSE**  
 2 **HOLDER UNDER SUBSECTION (B)(1)(IV) OF THIS SECTION FOR ENFORCEMENT OF**  
 3 **THE MEMORANDUM OF UNDERSTANDING REQUIRED UNDER SUBSECTION (B)(1)(II)**  
 4 **OF THIS SECTION.**

5 12-2802.

6           **(G) THE BOARD SHALL ADOPT REGULATIONS THAT ESTABLISH TIERED**  
 7 **PENALTIES FOR VIOLATIONS UNDER THIS TITLE, INCLUDING THE REVOCATION OF A**  
 8 **7-DAY SALES PRIVILEGE GRANTED UNDER § 12-1604.2 OF THIS TITLE IF THE**  
 9 **LICENSEE VIOLATES THE PROVISIONS OF THE REQUIRED MEMORANDUM OF**  
 10 **UNDERSTANDING THREE OR MORE TIMES WITHIN A 2-YEAR PERIOD.**

11           SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding §§ 6-308  
 12 and 6-311 of the Alcoholic Beverages and Cannabis Article, a licensed establishment on  
 13 the south side of the unit block of West Pratt Street may keep and allow individuals to  
 14 consume on the licensed premises alcoholic beverages donated by a manufacturer or  
 15 wholesaler if:

16           (1) the alcoholic beverages are donated and served at an event for which a  
 17 nonprofit entity has rented the licensed premises;

18           (2) the licensee has provided to the Board of License Commissioners for  
 19 Baltimore City evidence of the nonprofit status of the entity renting the licensed premises;

20           (3) the licensee serves the alcohol donated for the event;

21           (4) any related taxes have been remitted; and

22           (5) the licensee only keeps and serves alcoholic beverages in conjunction  
 23 with a single rental contract.

24           SECTION 3. AND BE IT FURTHER ENACTED, That, ~~notwithstanding:~~

25           **(a) Notwithstanding § 12-1705 of the Alcoholic Beverages and Cannabis Article,**  
 26 **a Class D beer and wine license issued for a premises in the 800 block of St. Paul Street shall**  
 27 **be considered unexpired until July 1, 2027, for the purpose of completing a transfer of**  
 28 **ownership at the same location.**

29           **(b) Notwithstanding § 12-2202 of the Alcoholic Beverages and Cannabis Article,**  
 30 **a Class B beer, wine, and liquor license issued for a premises in the 6500 block of Eastern**  
 31 **Avenue shall be considered unexpired until the end of July 1, 2027, for the purpose of being**  
 32 **renewed to the current license year by the licensee.**

33           **(c) Notwithstanding § 12-2202 of the Alcoholic Beverages and Cannabis Article,**  
 34 **a Class B-D-7 beer, wine, and liquor license issued for a premises in the 1600 block of**

1 Eastern Avenue shall be considered unexpired until the end of July 1, 2027, for the purpose  
2 of being renewed to the current license year and transferred to a new owner at a premises  
3 in the 700 block of Aliceanna Street.

4 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
5 1, 2026. Section 2 of this Act shall remain effective for a period of 2 years and, at the end of  
6 May 31, 2028, Section 2 of this Act, with no further action required by the General  
7 Assembly, shall be abrogated and of no further force and effect.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.